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CHAPTER II

MANAGEMENT, ORGANIZATION, AND ADMINISTRATION

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Enclosure (1)

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Chapter II

MANAGEMENT, ORGANIZATION, AND ADMINISTRATION

201. General Responsibilities. The CHNAVPERS is the Program Manager for Navy Flying Clubs. Administration and supervision are command functions of the activity establishing the club pursuant to regulatory control by the Department of the Navy, the program manager, and the chain of command. The CNO (N88) and the Commander, Naval Safety Center, will provide aeronautical and technical expertise in support of the Navy Flying Club program as required.

a. Program Manager. The program manager is responsible for execution of the Navy Flying Club program, including:

(1) Coordinate the provision of policy, technical guidance, and oversight for overall administration of day-to-day operations of Navy Flying Clubs.

(2) Maintain records of active and disestablished clubs, aircraft inventories, contacts' names and phone numbers, addresses, financial condition, etc.

(3) Maintain liaison with individual club officials and local and intermediate commands to provide policy interpretation, advice, and assistance.

(4) Coordinate centrally provided support to the Navy Flying Club program such as data processing, accounting oversight, and insurance matters.

(5) Conduct on-site reviews of local flying club operations as necessary to ensure adequate program management oversight.

b. The program manager has the responsibility to temporarily suspend operations for any questionable act or omission affecting flight safety and shall make an immediate report to the commanding officer of reasons for suspending operations. The commanding officer, after investigation, has final authority in the permanent suspension of operations.

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202. Sponsoring Activity Responsibilities. The sponsoring commanding officer shall:

a. Ensure, within the capabilities of the command, that the club has hangar, ramp space, and other facilities such as classroom, meeting, or maintenance spaces. If adequate base facilities are not available, or their use would impinge on operational requirements, the commanding officer may authorize the club to operate at a nearby, adequate civilian airport. If the use of civilian facilities is acquired by a lease the lease agreement must be approved by CHNAVPERS. Any lease for use of facilities at a civilian airport shall permit inspection by the U.S. Navy.

b. The commanding officer shall also appoint, in writing, a:

- (1) Command operations advisor (paragraph 402)
- (2) Command safety advisor (paragraph 503)
- (3) Command maintenance advisor (paragraph 603)

c. The commanding officer shall ensure:

(1) The flying club manager has developed administrative and operational procedures that comply with this instruction, Federal Aviation Regulations (FARs), and National Transportation Safety Board (NTSB) regulations.

(2) Club financial planning, accounting, personnel/payroll, insurance, and procurement procedures comply with appropriate SECNAV, OPNAV, NAVCOMPT, and CHNAVPERS directives as listed in Appendix H.

(3) The club coordinates and maintains a working relationship with local Federal Aviation Administration (FAA) personnel.

(4) The club has a quarterly safety, maintenance, and management inspection.

(5) That flying clubs are included in all command inspection evaluations.

(6) That the command appointed advisors maintain liaison with the club by attending BOD meetings, safety meetings, club standardization meetings, etc., on a periodic basis to the degree necessary to ensure compliance with this instruction and FARs.

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203. Annual Inspection. The sponsoring commanding officer shall conduct an unannounced annual inspection of the Navy Flying Club. The inspection team (made up of command representatives from safety, operations, maintenance, supply or internal review staff), shall use the checklist in Appendix B and the financial procedures contained in NAVSO P-3520 as guidance for accomplishing the review. The report of inspection will be provided to the Navy Flying Club for action. A complete inspection report with notations of corrective action taken will be provided to the sponsoring commanding officer within 45 days of completion of the inspection. Actions which have not been taken within that period will remain open until completed. A copy of the most recent annual inspection report will be included as an enclosure to the Navy Flying Club Annual Report.

204. Board of Directors (BOD). The BOD shall consist of at least five voting members. The majority of the BOD should be active duty military personnel. In the event that this is not possible, the remaining vacancies may be filled with retired military personnel.

a. Voting members of the BOD are the president, vice president, treasurer, operations officer, safety officer, and maintenance officer. These members are elected from the general membership. Additional members may be elected or appointed as determined locally. The club manager is a non-voting advisory member of the BOD. When the flying club is based aboard a naval activity, the command safety officer and the operations officer shall attend the BOD meetings in a non-voting advisory capacity.

b. The BOD shall meet as necessary, but no less than quarterly and keep minutes which indicate the attendance of all members (including appointed advisors). The president shall sign completed minutes and forward them for approval to the commanding officer. Approved BOD minutes do not constitute authority for the obligation or expenditure of nonappropriated funds. This authority is obtained through established budget procedures.

c. The BOD will assist the manager to ensure the club operates in a safe, efficient, and businesslike manner. Operation of the club is the direct responsibility of the commanding officer including implementation of FAA policy, safety, maintenance, and flight procedures. The BOD may consider and recommend (in its meeting minutes) items such as club hours of operation and associated work schedules; membership fees; sales and acquisitions, lease, and disposal of aircraft; aircraft rental rates; flight instructors to be used; and gross profit objectives. The BOD is responsible for ensuring implementation

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of the commanding officer's directives and guidance. The BOD has supervisory authority over members' flying privileges whenever their involvement in acts of drug/alcohol abuse, willful misconduct, or gross negligence have been substantiated by investigation and reviewed by appropriate authorities.

205. Members of the BOD. Members may hold only one voting position on the BOD. Specific duties and responsibilities shall be written for each position. Each BOD shall have the following members:

a. President. Serves as the spokesperson and shall preside at all club and BOD meetings.

b. Vice President. Assumes the powers and duties of the president when the president is absent or disabled.

c. Operations Officer. Responsible for club flying operations. This individual must work closely with the commanding officer, command operations officer, and chief flight instructor. The operations officer shall monitor the training programs for the different aircraft the club operates to ensure effective standardization programs. The operations officer shall be at least a private pilot with 200 flying hours.

d. Safety Officer. Shall conduct an aggressive mishap prevention program following Chapter V. The safety officer shall be at least a private pilot with 200 flying hours.

e. Maintenance Officer. Shall manage the maintenance program following Chapter VI. The maintenance officer should be at least a private pilot with 200 flying hours and should have a background in aircraft maintenance. An FAA airframe and powerplant (A&P) mechanic's certificate is desirable.

f. Secretary. Shall serve as the club recorder and keep the minutes of the BOD and general membership meetings. The secretary shall notify BOD members and staff personnel of BOD meeting times and dates and disseminate information to BOD members.

g. Treasurer. A club's treasurer has the basic responsibility of keeping the BOD and members fully aware of the club's financial condition. No money should pass into or out of a club's bank account without the knowledge of the treasurer. The treasurer has the responsibility for billing members, signing all checks (with a co-signer), sending financial statements to all members and paying all the bills.

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The treasurer should be authorized to meet monthly obligations such as hangar fees, aircraft payments, and insurance premiums without having to get club approval when each comes due. The treasurer's job is one where prior financial experience is almost mandatory. In view of the amounts of money involved, a club should give serious consideration to having its treasurer bonded.

h. Commanding Officer Appointees. Serve as non-voting advisors and provide professional guidance to various club personnel. They are not required to join the club unless they participate in flying activities.

i. Members-at-Large. May represent the membership at BOD meetings or chair committees such as membership, publicity, etc., in a non-voting capacity.

206. Club Manager. Each Navy Flying Club shall have a manager. The club manager may be a full- or part-time employee of the flying club or be a non-paid volunteer appointed by the commanding officer. The employment of personnel by a Navy Flying Club is governed by SECNAVINST 5300.22C (NOTAL) and NAVMILPERSCOMINST 5300.1. The provisions of SECNAVINST 5300.22C (NOTAL) with respect to retired and active duty military personnel must be adhered to strictly.

a. Flying club managers work under the general supervision of the commanding officer. The BOD shall be provided an opportunity to comment on any contemplated personnel actions affecting the club manager.

b. The manager shall conduct the club's daily business using the club instructions, this directive, and applicable Department of Defense (DOD), Navy, FAA and NTSB regulations including but not limited to those listed in appendix H. The manager shall ensure that club facilities are kept clean and orderly, shall coordinate club activities and shall thoroughly understand and discharge all assigned responsibilities which include but are not limited to:

(1) Maintaining a flight schedule for all flights on a first-come, first-served basis.

(2) Maintaining bulletin boards, charts, status boards, and the pilots information file (PIF).

(3) Membership and training folders, flight currency record, PIF, safety, and annual currency records.

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(4) Immediately reporting mishaps, overdue aircraft, or other information pertinent to safety to the commanding officer, club and command safety and operations officers.

(5) Checking club supply functions to ensure proper control and storage of equipment and prompt disposal of excesses.

(6) Monitoring the performance of all contractors to ensure they comply with all provisions of their contract. Instances of non-compliance or non-performance will be documented and reported to the BOD and the commanding officer for appropriate action.

(7) The manager has the responsibility and authority to stop any flying club pilot, local or transient, from flying when, in his or her judgement, flight safety may be compromised.

(8) Establish mandatory equipment list for survival gear for type of flight being flown.

207. Chief Flight Instructor. The chief flight instructor shall be a certified flight instructor appropriately rated for all pilot training courses offered. The manager shall designate the chief flight instructor. The chief flight instructor supervises and monitors the activities of all club instructors. The chief flight instructor shall develop standard operating procedures (SOP) to be used by all club instructors. These SOPs are part of the club instructions required by this directive. They shall contain, as a minimum, the following:

- a. Flight instructor's duties and responsibilities.
- b. Standardization of flight training procedures.
- c. Endorsement requirements for student certificates and logbooks as required in FAR, part 61.
- d. Procedures for maintaining training records and folders.

208. Flight Instructors. May be retained as employees or through services contracts. In both cases, care should be exercised to avoid conflicts with directives governing Dual Compensation and Dual Employment (FPM Supplement 990-1) and Standards of Conduct (SECNAVINST 5370.2J). The employment of personnel by the flying club shall be according to SECNAVINST 5300.22C and NAVMILPERSCOMINST 5300.1.

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a. Contract instructors shall not perform duties until a properly executed contract has been approved and signed. Contracts shall be renewed on an annual basis.

b. Club employees may perform duties as flight instructors when their job descriptions include such duties and all fees and revenues from such duties are paid to the club with no additional gain to the employees. However, employees whose job descriptions do not include flight instructor duties may be contracted to provide flight or ground instruction for compensation during off-duty hours (evenings, weekends, and holidays).

c. No person shall instruct without an initial standardization flight check with the chief flight instructor.

d. Each flight instructor shall hold a valid flight instructor certificate.

e. All payments for flight instruction charges will be made to the club. Flight instructors will not be directly remunerated by students.

f. Commanding officers may grant a waiver to permit an individual member of a flying club BOD to serve as club mechanic, flight or ground instructor; however, the waiver will prohibit these individuals from making recommendations or voting on recommendations on any matter pertaining to instructor duties or rates of compensation. Waivers for BOD members to serve in other club positions for compensation are prohibited.

g. Managers who are employees of a flying club do not ordinarily perform duties as flight instructors. The commanding officer may authorize the manager to perform these duties as an employee but shall ensure the manager's job description includes these duties and states the minimum number of hours to be worked each day as manager.

209. Categories of Membership. The following membership authorizations for participation in Navy Flying Clubs shall be followed. Commanding officers may issue amplifying instructions for determining membership priority order and guidelines for suspending, terminating, or denying eligible participants the use of flying club facilities when such action is determined to be in the best interest of the Navy, the activity and/or the club. In no instance shall participation be authorized for individuals in a priority group without members in all higher priority groups having first been authorized. In those cases where participation privileges are extended to guests, the guests shall assume the

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priority of and be accompanied by their sponsors. The commanding officer may prescribe guest privilege limitations.

a. Membership shall be on a voluntary basis and subject to final approval by the BOD. The club manager should have interim approval authority.

b. There are two categories of membership: regular and introductory. Introductory membership may be extended to an individual who is eligible for regular membership. Introductory membership shall not exceed 60 days and is not renewable within 2 years. Introductory members may receive up to 6 hours of dual instruction at prevailing rates. No other privileges may be given.

c. The BOD may authorize inactive status for a member. If so authorized, and if requested by the member in writing, the club manager may approve inactive status during periods of extended absences (generally 60 days or more). Members in inactive status may be required to pay a minimum monthly fee to cover administrative costs of maintaining membership.

d. Regular membership may be extended on a space-available basis in the following priority order to:

(1) Active duty military personnel and their dependents assigned to the installation or directly supported by it through intra or interservice support agreements.

(2) Navy active duty personnel and their dependents not assigned to the installation.

(3) Active duty personnel and their dependents of other military services, including U.S. Coast Guard personnel.

(4) Military personnel retired with pay and their dependents.

(5) One hundred percent disabled veterans and their surviving spouses and dependents; Medal of Honor recipients and their surviving spouses and dependents.

(6) Members of reserve components while in a drill status, all members of the selected Reserve and their dependents. Reserve or National Guard personnel applying for membership shall attach to their membership application a copy of official orders showing their present Reserve or National Guard status and sign a

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statement on the application agreeing to notify the club to terminate their membership should their status change making them ineligible for membership.

(7) Unremarried former spouses of military personnel who died while on active duty or while in a retired status and their dependents.

(8) Military personnel of foreign nations and their dependents who are authorized exchange privileges in Continental United States (CONUS) or overseas or when assigned to the installation.

(9) Unremarried former spouses and other dependents entitled to commissary, exchange, and theater privileges.

(10) U.S. Naval Academy midshipmen; cadets of the Army and Air Force Academies; officer candidates when in an active duty training status; and Reserve Officer Training Corps (ROTC) cadets and midshipmen, when on active duty during college vacation periods.

(11) DOD civilian employees and their dependents stationed in Alaska and Hawaii, all U.S. territories and possessions and foreign countries, who are authorized exchange privileges.

(12) DOD contract employees and their dependents, who are authorized exchange, commissary, and theater privileges.

(13) Full-time DOD civilian employees paid from appropriated or nonappropriated funds and their dependents.

(14) Retired DOD civilians with unbroken membership.

(15) Others who support the mission of DOD as determined by the commanding officer, such as FAA and Civil Air Patrol personnel.

(16) Requests for other authorization or waivers to membership eligibility may be forwarded to CHNAVPERS by the commanding officer via the chain of command.

210. Selection of Members. To become a flying club member:

a. Prospective members must submit an application to the Navy Flying Club and pay monthly dues and initiation fees. Initiation fees may be deferred for introductory members. A

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letter of good standing from another military flying club may be used instead of initiation fees. Each new member shall receive orientation in club procedures and local conditions and be assigned an instructor for check-out or flight instruction as appropriate.

b. The manager will review all applications for compliance with this and other instructions before issuing interim membership privileges. The BOD reviews and approves or disapproves all applications at the next regular meeting.

c. Subsidization of membership dues, when such subsidization is not available to the general membership (e.g., to offset minimum monthly flight time expenses), is not authorized.

211. Members' Privileges and Responsibilities. All regular members in good standing are entitled to all privileges and benefits of the club. Each club member shall:

a. Be familiar with and comply with all directives.

b. Pay established dues. The manager and BODs may recommend lower dues and initiation fees for additional members of a family or as a temporary recruiting initiative with the commanding officer's written approval.

c. Assist the manager and other club officials in the daily operation of the club.

212. Transfer of Membership. When a flying club member transfers from one location to another, initiation fees shall be waived at the new location if a member presents a letter of good standing from the last military flying club attended and if the prospective member meets the requirements of this instruction. Letters of good standing over 1 year old must be verified prior to acceptance. Flying clubs will not issue a letter of good standing if:

a. The member has not accounted for and returned all club equipment and supplies.

b. The member has not settled all outstanding bills.

c. The member was removed or suspended for just cause.

213. Interclub Flying. Interclub flying is authorized. A member in good standing in a Navy Flying Club or other Armed Forces Flying Club may fly an aircraft belonging to a Navy Club

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if such flying does not conflict with the scheduled flying of local club members, does not pose a financial burden to the host club and if the pilot complies with all club regulations.

a. The visitor must show proof of good standing in a military flying club and present pilot status. The visitor must also complete a satisfactory local area check-out conducted by a host club instructor.

b. Visiting members are not charged initiation fees and monthly dues by the host club unless they are in an inactive status and not paying dues at their home club.

214. Membership and Training Folder. Flying clubs shall maintain a membership and training folder for all members. A club member's records remain active so long as the member remains active. Membership and training folders are given to the member on termination or transfer of membership, provided the member's account has been cleared and no investigation is pending related to the member. The folders shall contain, as a minimum:

- a. Membership application.
- b. Copy of current medical certificate.
- c. Copy of individual pilot certificates.
- d. Official orders (Guard or Reserve personnel only).
- e. Written course rules exam corrected to 100 percent.
- f. Covenant Not To Sue and Indemnity Agreement (not required from active duty military personnel).
- g. Check-out records for each type aircraft.
- h. Annual standardization and biennial flight review records.
- i. Any other information which may be required by the individual club.

215. Pilot Information Card. The flying club manager shall maintain an up-to-date Pilot Information Card on each club member. This card shall be available at all times in the club operations center and shall be the basis for determining the pilot's currency and qualification level.

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216. Covenant Not To Sue and Indemnity Agreement

a. Each flying club member or passenger who is not an active duty member of the Armed Forces of the United States will not be permitted to operate or ride in a club aircraft until he or she executes a locally prepared Covenant Not to Sue and Indemnity Agreement (appendix F).

b. A new covenant will be executed at least once each 12 months.

c. One member of a family may not execute the document for the entire family.

d. In the case of a minor, a parent or legal guardian will execute the document on behalf of the minor.

217. General Membership Meetings. General membership meetings shall be held at least once a year to conduct business and elect BOD members.

218. Aircraft Authorized Utilization. Flying club aircraft are authorized for temporary duty (TDY) travel, when normal government conveyance is not available. Specific guidance for their use may be found in the Joint Federal Travel Regulations (JFTR). If more than one person travels in the TDY aircraft, only the pilot will be reimbursed for TDY travel.